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ABSTRACT

Recommended guidelines for U.S. policy toward Cambodia, Vietnam, and Laos were developed by a bipartisan group of experts. General premises are stated first, followed by specific recommendations on how to assist in bringing about a settlement in Cambodia; how to pursue U.S. bilateral relations with Vietnam on refugees, the prisoner of war/missing in action (POW/MIA) issue, and exchange programs; and what U.S. policy should be with regard to Laos. The general principles underlying these recommendations are as follows: (1) The long-term U.S. policy goal in the region is to assist in bringing about a peaceful, prosperous, and stable Southeast Asia, in which Cambodia, Vietnam, and Laos are fully integrated as sovereign nations with whom the United States has normal relations. (2) In developing this policy, a proper balance must be maintained between regional and global concerns. (3) U.S. policies toward these countries must be in harmony with U.S. bilateral relations with the countries of the Association of South East Asian Nations (ASEAN). (4) The United States should continue to engage the Soviets in high-level dialogue on Cambodia. (5) The principal leaders and the genocidal practices of the Khmer Rouge should not be given an opportunity to return to Cambodia. (6) U.S. policy should promote less reliance on the Soviet bloc by Cambodia, Vietnam, and Laos, and the removal of Soviet military facilities in Vietnam. (7) In developing policies with the countries of Indochina, the United States must work closely with Japan. A list of conference participants and the conference-opening address are included. (Author/JB)

Indochina Policy for the Next Administration

29th Strategy for Peace, US Foreign Policy Conference 1988

The Stanley Foundation

About the Conference

Strategy for Peace, the Stanley Foundation's US foreign policy conference, annually assembles a panel of experts from the public and private sectors to assess specific foreign policy issues and to recommend future direction.

At the October 1988 conference, 65 foreign policy professionals met at Airlie House conference center to recommend elements of a strategy for peace in the following areas:

1. Developing an Indochina Policy for the Next Administration
2. Soviet Integration Into the World Economy
3. US Policy Toward Central America: Where Do We Go From Here?

The work of the conference was carried out in three concurrent round-table discussions. These sessions were informal and off the record. The rapporteurs tried to convey the conclusions of the discussions and the areas of consensus and disagreement. This is the report of one discussion group.

 Booklets containing the other two reports and additional copies of this report are available from:

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Indochina Policy for the Next Administration

Report of the Twenty-ninth Strategy for Peace, US Foreign Policy Conference

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October 13-15, 1988

Convened at Airlie House
Conference Center
Warrenton, Virginia

Participants

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* Participated in the discussions but as a journalist refrains from associating with any policy recommendation.

Developing an Indochina Policy for the Next Administration

Introduction

These policy recommendations are the product of a year of discussion and debate by the Indochina Policy Forum, a bipartisan group of many of the country's leading experts on Cambodia, Vietnam, and Laos, which was organized at the Stanley Foundation's 1987 Strategy for Peace Conference. Members of the forum range from conservative Republicans to liberal Democrats: they include Vietnam veterans, current and former government officials, congressional staff, scholars, and representatives of nongovernmental organizations. Because of the wide spectrum of political views within the group and the members' wide variety of experiences during the Vietnam War, the forum's discussions have illustrated well the vast differences in views Americans hold about Indochina and the history of US policy there. Yet, the group has looked beyond its members' fundamental political differences to produce these bipartisan recommendations, an accomplishment that indicates it is possible to develop a policy toward the countries of Cambodia, Vietnam, and Laos which has broad-based support among the American people.

This report and its recommendations are the product of a cooperative effort of the forum's members, and as such, they do not reflect the preferences of any individual or the positions of the organizations with which the members are affiliated.

Emerging Opportunities for the New Administration

Recent changes in the region present the new administration with opportunities to play a more significant role in influencing events in Cambodia, Vietnam, and Laos. Developments in the relationships and attitudes of the countries involved in the area improve the chances of a settlement of the conflict in Cambodia and present the United States with a chance to make a positive contribution toward restoring peace.

Vietnamese policy has recently become more flexible with regard to Cambodia: Hanoi's assertion that it intends to withdraw its troops

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from Cambodia by 1990 has gained credibility in the eyes of the international community. Vietnam has promised to withdraw fifty thousand troops by the end of 1988. It has also pledged to remove its entire army command this year, leaving its troops under the control of the army of the People's Republic of Kampuchea (PRK).

Furthermore, Vietnam states that it is open to alternative political solutions inside Cambodia. It now publicly supports negotiations between the PRK and the Cambodian coalition partners, including a leading role for Prince Sihanouk in a future Cambodian government.

A rapprochement between China and the Soviet Union also appears possible. Withdrawal of Vietnamese troops from Cambodia seems to be the remaining hurdle. Chinese and Soviet diplomats have held high-level sessions focusing on Cambodia, the Chinese foreign minister has planned a trip to Moscow in December 1988, and there is a good possibility of a Sino-Soviet summit in the near future.

These changes in the relationships and attitudes among the countries involved in Indochina present the United States with a significant opportunity. A failure to respond to this opportunity is not without cost. The consequence of US inaction could be a loss of influence over the outcome and could be detrimental to US policy goals in the region.

Policy Recommendations

In presenting recommended policy guidelines for Cambodia, Vietnam, and Laos, general premises are stated first. These are followed by specific recommendations on how to assist in bringing about a settlement in Cambodia; how to pursue US bilateral relations with Vietnam on refugees, the POW/MIA issue, and exchange programs; and what US policy should be with regard to Laos.

General Principles

1. The long-term US policy goal in the region is to assist in bringing about a peaceful, prosperous, and stable Southeast Asia, in which Cambodia, Vietnam, and Laos are fully integrated as sovereign nations with whom the United States has normal relations.

2. In developing this policy, a proper balance must be maintained between regional and global concerns. A successful policy must serve US national security and worldwide economic interests, US interest in promoting democratic principles and human rights, and US interest in resolving other humanitarian issues. If the policy designed for Indochina is not consistent with these broader concerns, it cannot be sustained.

3. It is particularly important that US policies toward Cambodia,

Vietnam, and Laos be in harmony with US bilateral relations with the countries of ASEAN, with established US policy of strengthening ASEAN as a regional organization, and maintaining the US relationship with China. If US policies toward Cambodia, Vietnam, and Laos conflict sharply with these priority interests, they will neither survive nor succeed.

4. The United States should continue to engage the Soviets in high-level dialogue on Cambodia and encourage General Secretary Gorbachev to help bring about a settlement. The superpowers have had some success in working together on regional conflicts such as in Afghanistan, Iran and Iraq, and southern Africa. If the Soviet Union is serious about developing a better relationship with ASEAN, pursuing a rapprochement with China, and improving relations with the United States, a Cambodian settlement will be in its, as well as the United States', interest.

5. It is an essential cornerstone of US policy in the region that the principal leaders and the genocidal practices of the Khmer Rouge not be given an opportunity to return to Cambodia.

6. US policy should promote less reliance on the Soviet bloc by Cambodia, Vietnam, and Laos and the removal of Soviet military facilities in Vietnam.

7. In developing policies toward the countries of Indochina, the United States must work closely with Japan. With the second largest economy in the world, Japan is the country with the best economic resources to substantially assist in the development of the region. As a close ally, the Unites States must keep Japan informed of its policy interests and involve Japan in the quest for a Cambodian settlement.

Specific Recommendations

Cambodia

The recommendations are made with the following US goals in mind: the withdrawal of Vietnamese troops from Cambodia; the establishment of a peaceful, neutral Cambodia; emergence of an internal political settlement through democratic procedures and internationally supervised elections which reflects the genuine preferences and guarantees the human rights of the Cambodian people; the prevention of the Khmer Rouge military threat in Cambodia; and the emergence of a political structure which does not permit the Khmer Rouge to return to its universally condemned practices of the past.

1. The United States should continue its recent more active support for a Cambodian settlement.

The situation in Cambodia has reached a point where the United

States could make a substantial contribution. The political and material support being provided to the noncommunist resistance, especially to Prince Sihanouk, strengthens the democratic forces in Cambodia and must be continued as an essential element in US efforts to encourage a settlement.

The United States must continue to emphasize to Vietnam and the Soviet Union that while a better US-Vietnam relationship is in the interest of both countries, Vietnamese failure to withdraw from Cambodia and to cooperate in a Cambodian settlement will frustrate efforts toward this goal.

The United States should not endorse a settlement which excludes the noncommunists from a role in Cambodia, nor should it support a political settlement which allows the return of the Khmer Rouge to their past genocidal practices.

2. The United States should continue to increase its efforts, together with the regional powers, to prevent the Khmer Rouge from returning to power.

US policy should be geared to strengthening ASEAN's opposition to the Khmer Rouge and to counterbalance longstanding Chinese support for the Khmer Rouge forces.

Cutting off all further military supplies to the Khmer Rouge is absolutely essential, but without other safeguards, supplies already obtained could be sufficient for the Khmer Rouge to regain military control of Cambodia. The United States should now urge China to stop its military aid to the Khmer Rouge and to redirect those supplies to the noncommunist resistance instead. This would not end military pressure on the Vietnamese, but it would shift support away from the Khmer Rouge. Currently, Khmer Rouge forces far outmatch those of Sihanouk and Son Sann, despite Western assistance, because of China's greater level of support to the Khmer Rouge. China should also be urged to offer asylum to leaders of the Khmer Rouge and to press those leaders to accept this offer, in order to facilitate a settlement.

Provisions must be undertaken to prevent the Khmer Rouge from intimidating, terrorizing, or subverting the stability of Cambodia and the process of national reconciliation during the pre-election transitional period.

It is probable that the international community will have to monitor elections and provide an international presence as part of a settlement to insure that its provisions are adhered to and to deter the Khmer Rouge from intimidating the process or the populace. The United States should support this effort strongly and the United

Nations should be consulted and involved in these provisions.

3. The United States should use its influence to persuade China to accept a Cambodian settlement which establishes a regime supported by the Cambodian people and which satisfies Cambodia's neighbors.

The United States should use its influence to convince China and, if necessary, Thailand of the high priority the United States assigns to reaching a negotiated settlement in Cambodia. The Khmer Rouge is China's vehicle for long-term influence: It is China's most important military force and its agent on the ground in opposing the Vietnamese occupation and the PRK.

China will be more likely to make reasonable concessions if it is encouraged to do so by ASEAN. The United States should stress to China that China's relationship with ASEAN is more important than its relationship with the Khmer Rouge.

If the Cambodian political factions, other than the Khmer Rouge, arrive at an agreement acceptable to ASEAN and Vietnam, but not to China, the United States will have the option of joining the others — or holding out the threat to join them — in guaranteeing an agreement and establishing closer political and economic relations with Vietnam and Cambodia. The United States should not grant China the power to veto such agreements.

Given its geographic proximity to China and its increasing reliance on China, Thailand may come under pressure from China not to agree to a settlement which the Thais might otherwise find acceptable. Achieving ASEAN unity on a final settlement would depend largely on Thailand's agreement.

Once again, the United States is in a position to play a modest, but perhaps critical, role. The United States has had a long relationship with Thailand and has been its principal ally for several decades. It can quietly use its influence with Thailand and engage the other ASEAN states to convince the Thais of the need for a settlement, keeping in mind that the use of leverage will only be effective if they are convinced that Vietnam is serious about a settlement. The United States should, therefore, support continued dialogue between Hanoi and Bangkok.

4. The United States should support international guarantees for a Cambodian settlement.

Any viable political settlement must have broad international support. International guarantees signed by the permanent members of the UN Security Council, ASEAN, Vietnam, and Japan are essential for long-term peace and stability. In particular, such

guarantees should address measures to insure against a [illegible]n of the genocidal practices of the Khmer Rouge.

5. The United States should support the establishment of an international reconstruction fund for Cambodia once a settlement is agreed upon.

Cambodia has known nothing but war for the last two decades. Its chances of survival as a nation and the success of a Cambodian agreement will depend on economic and humanitarian assistance received from the world community. Given Cambodia's size, this should not be a great burden on the international community. Japan has already pledged its resources to such a fund, and the United States, France, and other members of the European Economic Community (EEC) should build upon this initiative. Should future conditions warrant, consideration could be given to expansion of this fund to Laos and Vietnam.

6. The United States should support a full-time international presence and free movement within the refugee camps now, and it should stress the need for the voluntary repatriation of all refugees and "displaced persons" living in refugee camps along the Thai border as part of a Cambodian settlement.

The United States should support the right of Cambodian refugees to freely move within the camps which are under the control of the Cambodian factions. These camps should be fully open to monitoring and inspection by the United Nations Border Relief Operation and the International Committee of the Red Cross and have a full range of educational, skills training, cultural, and religious programs available to make it possible for these Cambodians to maintain their cultural heritage and to develop the skills they will need to be able to return to their homeland and lead productive lives. Any negotiated settlement should insure that the repatriation of the refugees and displaced persons will guarantee their safety and security and that returnees will have the same rights as other citizens of Cambodia.

7. The United States should continue to urge the People's Republic of Kampuchea (PRK) to resolve outstanding cases concerning missing Americans.

Eighty-three US servicemen and civilians remain unaccounted for in Cambodia, and Premier Hun Sen has stated that the PRK is holding many of their remains. The PRK should recognize that resolving these cases is a humanitarian matter of highest concern to the United States and that the remains should be repatriated immediately.

Vietnam

The long-term policy goal of the United States is to help bring about a peaceful and stable Vietnam that is fully integrated into the international community and is not threatening to its neighbors. As this process occurs, the United States should encourage Vietnam to move increasingly toward establishing democratic institutions that recognize international standards of human rights and to continue cooperation on bilateral humanitarian concerns.

1. The United States should act with a measured diplomatic response if Vietnam verifiably withdraws its troops from Cambodia prior to a negotiated Cambodian settlement.

It is possible that a withdrawal of Vietnamese troops from Cambodia will occur prior to the achievement of a Cambodian settlement. In this case, a variety of graduated steps could be taken to provide a measured diplomatic response and send a positive signal to Vietnam. These steps should include establishing "interests sections" and could include adjusting the trade embargo. Such steps would be a positive response to the Vietnamese withdrawal and would help facilitate full resolution of other outstanding bilateral problems.

2. The United States should convey to Vietnam that it will extend full diplomatic relations, lift the trade embargo, and develop normal trading relations upon completion of a verifiable withdrawal of its troops from Cambodia and a determination by the president that the Vietnamese government is being cooperative in the effort to achieve an internal settlement in Cambodia.

3. Once a Cambodian settlement is reached and normal diplomatic and trade relations are established, the United States should encourage conditions to help Vietnam reduce its reliance upon the Soviet Union, particularly by improving its relationship with ASEAN.

If Vietnam is serious in its expressed policy to reform its economy by decentralizing economic functions and by creating greater individual incentives, the involvement of Japan, ASEAN, Korea, Australia, the United States, and the EEC will be critical since trade and investment flows are essential for Vietnam's economic future. Japanese support will be particularly needed because it is the only country with the resources to provide substantial economic development assistance to the region.

Following a settlement, the United States should also support assistance from international monetary organizations.

4. The United States should continue to encourage countries of the region to provide first asylum to all incoming refugees from Indochina in accordance with UN protocols and should make renewed efforts to have other countries take more refugees for resettlement.

The United States' long and deep involvement in Southeast Asia gives it both a greater interest and responsibility in refugee problems than any other resettlement country. The high number of refugees who have left and are leaving Vietnam has put enormous social and political pressure on Vietnam's neighbors and has made the structure of first asylum increasingly fragile. Although the United States is sensitive to the concerns of affected countries, it must continue to condemn pushing refugee boats back to sea and forcing refugees back over land.

Even though more than a million Vietnamese refugees have been resettled in third countries, thousands still remain in make-shift camps in countries of first asylum. However, the situation is particularly acute in Thailand, where the number of refugees includes thirteen thousand Vietnamese, eighteen thousand Cambodians, and seventy-two thousand from Laos; and the number of "displaced persons" who do not have refugee status includes three hundred thousand Cambodians and six thousand Vietnamese.

The new administration should: 1) consult with first asylum and the resettlement countries with a goal of influencing the government of Vietnam to alter or eliminate the policies and conditions in Vietnam that continue to generate refugees; 2) convince the American people and congress that the United States must allow a sufficient number of refugees to resettle in the United States to sustain the first asylum process and to protect human rights; 3) convince other industrialized democracies to make immediate pledges to accept larger numbers of refugees now awaiting resettlement and; 4) support voluntary repatriation.

The best vehicle for accomplishing this may be an international conference on refugees similar to the one held in Geneva in 1979. US support for, and participation in, such a conference, which is increasingly likely to be held, is imperative.

5. The United States should work with ASEAN to press Vietnam to allow greatly expanded emigration through the Orderly Departure Program (ODP).

The flow of refugees can be reduced to manageable numbers if legal alternatives are established for people to leave. The United States has a special interest in two groups of refugees and other potential emigrants who remain in Vietnam.

An estimated fifteen thousand to thirty thousand Amerasian children and family members are one group who qualify for emigration, and the United States should continue to encourage Vietnam to cooperate and expeditiously complete this program.

A second group includes re-education internees who were, or remain, imprisoned in re-education camps. Allowing these people to resettle in the United States is a high priority for the United States. The United States should encourage Vietnam to resume discussions immediately on this humanitarian issue so agreements can be reached for this resettlement to occur.

Relatively few emigrants or re-education internees have been allowed to leave Vietnam. The United States should urge ASEAN to press Vietnam to expand the ODP to these groups in the context of ongoing talks.

Additionally, some sixty thousand persons in Vietnam, who want to reunify with their families, hold current immigrant visa applications. If allowed to leave by the Vietnamese, they could proceed to the United States at the rate of about twenty thousand persons or more per year, using no refugee numbers and creating no charge on the refugee program budget.

6. The new administration should appoint a special emissary to Vietnam to expand upon the "Vessey initiative" to resolve the POW/MIA issue. This appointment should be in conjunction with a study to identify what additional measures the Unites States could take to support the emissary's humanitarian charter and respond positively to accelerated Vietnamese cooperation.

General John W. Vessey, Jr., former chairman of the Joint Chiefs of Staff, was named the president's special POW/MIA emissary to Vietnam in 1987. He was given the responsibility to attempt to resolve the POW/MIA issue as a humanitarian matter of priority concern to the United States. General Vessey was also authorized to discuss other priority US humanitarian concerns, such as the resettlement of re-education internees, Amerasian children, and refugees through the ODP.

General Vessey was authorized to recognize that Vietnam also has humanitarian needs, and with presidential approval, US private and voluntary agencies (PVOs) were encouraged to increase assistance to help the disabled. The United States has since expanded humanitarian focus to encourage assistance in the area of child disabilities.

US records show POW/MIAs in four countries: Vietnam, 1,751; Laos, 547; Cambodia, 83; China, 6. Roughly half of the total number reflects servicemen reported killed in action whose remains may not be recoverable and may continue to be listed as unaccounted for.

Without the full cooperation of Vietnam, it is difficult to know what would constitute the "fullest possible accounting"; however, Vietnam's cooperation in trying to account for the most compelling "discrepancy cases" is a critical first step. These are unresolved cases on which evidence indicates an American was alive in enemy captivity or that Vietnam has information available and should be able to provide an accounting.

Evidence suggests that the Vietnamese could provide additional information. Full Vietnamese cooperation in conducting joint investigations, surveys, and excavations, plus open sharing of information, is critical to a successful process. In support of this effort, the United States has provided training to Vietnamese experts and has supplied equipment to facilitate cooperation.

The majority of the POW/MIA families are realistic and have reasonable expectations. However, extremist groups and individuals have employed false, sensational material portraying the US government as covering up evidence that Vietnam still holds large numbers of US prisoners of war. This has encouraged illegal cross-border forays into Laos. Some have exploited the issue and engaged in emotional, fraudulent fund-raising efforts. Dispelling this phenomena depends upon significant progress in resolving the POW/MIA issue and aggressive efforts to counter such misinformation with objective information.

Shaping a policy that will satisfactorily address the POW/MIA issue in Vietnam may continue to be problematic; yet, this is a high priority issue for many Americans, and is recognized as such by a significant number of members of Congress and the Vietnamese government.

7. The new administration should undertake an initiative to increase exchange programs between the two countries.

The degree of encouragement and increased programming should evolve incrementally in accordance with continued Vietnamese cooperation. Until recently, Vietnam's troop presence in Cambodia, its uncooperative attitude toward establishing a broader-based coalition government in Phnom Penh, and its lack of cooperation on bilateral issues such as POW/MIAs made extensive exchange programs difficult.

However, since progress in all of these areas is occurring, it is appropriate that the United States now encourages further exchanges among people and programs important to improving the atmosphere of cooperation. Increasing exchange programs is a vital element in improving relations between the United States and Vietnam. Exchanges serve US interests by permitting Americans to learn more

about the Vietnamese through direct, unrestricted, personal contacts and fostering a greater flow of ideas between the two societies. Many of the reasons given for expanding exchange programs with the Soviet Union have relevance to Vietnam. To provide a relatively closed society with a close-up, accurate view of the United States would be beneficial in stimulating a greater openness in their own society and economy.

8. The United States should continue to ease the restrictions on the activities of PVOs and academic institutions so they can address broader Vietnamese humanitarian and educational needs.

PVOs have played a major role in the level of contact between the people of the United States and the people of Cambodia, Vietnam, and Laos. The Treasury Department should conform its practices to those of the Commerce Department and issue general licenses to all 501(c)(3) registered PVOs so that they can provide humanitarian and educational assistance within the scope of their charters.

Laos

The long-term policy goals of the United States in Laos are: to promote a peaceful, stable, and sovereign country; encourage the establishment of democratic institutions which respect international standards of human rights; and accelerate cooperation on narcotics control and bilateral humanitarian concerns.

The United States has been pursuing a policy of improving relations with Laos. Since 1982 three joint US-Lao crash site excavations and three joint crash surveys have been conducted, and there is agreement for further excavations. Although Laos is heavily dependent upon Vietnam, the United States and Laos have maintained diplomatic relations since 1950. However, the United States has not sent a diplomat of ambassadorial rank to Vientiane since 1975.

The United States has also removed Laos from the list of banned countries for United States bilateral aid, changed US voting patterns in international financial institutions, donated rice during two food emergencies, provided disaster medical relief, encouraged accelerated PVO activity, begun cultural exchanges, and made clear its opposition to armed resistance groups targeting Laos.

Greater dialogue on other matters of bilateral and regional concern has accelerated during this period as well. The narcotics issue has taken on more importance in US-Lao relations. Current narcotics legislation precludes aid programs to narcotics-producing countries that do not meet specific criteria. Inadequate Lao response to this issue could seriously interrupt US-Lao relations, but recently, Laos arrested a number of narcotics traffickers and agreed to a pilot project

on narcotics funded through the United Nations.

Laos has been less vocally anti-US than Vietnam and Cambodia and has been more cooperative in a number of ways. Recently, Laos adopted a liberal investment code to encourage Western investment and trade which may have important implications for its eventual economic integration into the Southeast Asian community of nations.

1. The United States should designate a US contribution to the UN narcotic pilot project agreed to by Laos and continue to seek Lao agreement for bilateral narcotics programs.

2. Direct US bilateral aid programs should be considered in the context of overall progress on bilateral humanitarian issues; human rights conditions, especially in regard to minorities; and Lao efforts to combat narcotics.

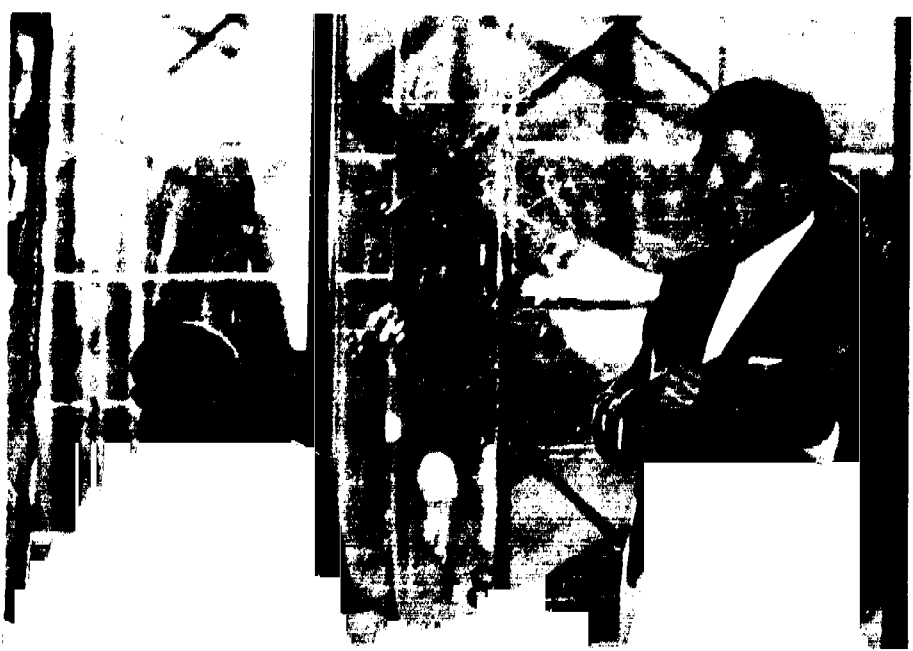
3. Consultations should begin immediately to upgrade respective diplomatic representation to the rank of ambassador.

4. The United States should seek ways to accelerate US-Lao cooperation on the POW/MIA issue through the resolution of discrepancy cases and the conduct of joint investigations, surveys, and excavations.

5. To provide a safer alternative and to lessen the first asylum pressures on Thailand, the United States should, working through its embassy in Vientiane, expand normal emigration, improve the voluntary repatriation program, and seek agreement to process those eligible to emigrate as refugees.

6. The United States should expand exchange programs with Laos, encourage greater private voluntary organization activity, and US business investment in Laos.

William Nell, Rapporteur *Dick Clark, Chair*



President's Address

by Richard H. Stanley
President, The Stanley Foundation

Richard Stanley opened the Strategy for Peace Conference with the following remarks, addressing all participants from the three topic groups.

Welcome to the Stanley Foundation's Twenty-Ninth Strategy for Peace Conference. This annual conference series is intended to be a forum for developing direction and guidance for US foreign policy, and this year is an unusually opportune time for creative discussion. We are on the threshold of national elections and a new US administration. Perhaps even more significant, fundamental changes are occurring in global relationships and these demand new perceptions and offer new opportunities.

As we began planning for this conference, three seemingly unrelated topics seemed ripe for new approaches, and we are delighted with the quality and competence of the participants who have gathered here to discuss them.

US policy toward Central America has been stalemated in recent years. Policy differences within the US government have sharpened. US interests and those of the Western Hemisphere would be well served if participants in this discussion topic could examine the future direction of US policy and formulate elements of a creative and acceptable bipartisan strategy toward Central America.

Our discussion on "Developing an Indochina Policy for the Next Administration" builds on a stimulating discussion of this subject at our Strategy for Peace Conference one year ago. US policy toward Indochina can be characterized as one of neglect since the end of our tragic experience in Viet Nam. This region has both significant needs and significant potential for an expanded US role in Asia. It is certainly timely for participants in this group to propose a new policy toward Indochina which is sensitive to the needs of the region as well as to US interests.

"Soviet Integration Into the World Economy" is also an appropriate topic for policy development. In recent days, General Secretary Gorbachev has strengthened and solidified his support . . . and support for policies of *glasnost* and *perestroika* within the Soviet government and party structures. Soviet spokesmen have enunciated new policy thinking: namely, that rather than being in diametric opposition, socialism and capitalism are moving on convergent paths. They have declared the Soviet intent to become a significant actor in the world economy and the Soviet willingness to accept the world

economy "as it is" as they move in this direction. Yet, the problems of implementing economic reform within the Soviet Union are immense, and progress to date is minimal. These problems are further complicated by the fundamental changes now underway in the international economy. While the prospects for Soviet economic reform are arguable, it is in the interest of the United States and the rest of the world for *perestroika* to succeed. We need to examine the national and international implications of Soviet integration into the world economy and begin formulation of constructive US policy.

At first, these three topics, while timely and ripe for new approaches, seemed separate and unrelated. Yet, as we began working with discussion chairpersons in the development of topics and discussion agendas, significant commonalities emerged. Effective policy recommendations in each of these areas, and undoubtedly in many others as well, must be developed in the context of a world which is in an era of profound change. The world of today and the 1990s differs greatly from that of the post-World War II period, which shaped the formation of our international institutions as well as our attitudes toward and perceptions of the international community. If our policy proposals are to be viable, they must be developed against a backdrop of accurate perceptions of the new realities of today and the future. Fundamental global changes have occurred and are continuing to occur in a number of areas. Let me describe several of the more significant ones.

First, the nature of threats to global security is changing. In the post-World War II period, security threats were perceived in terms of aggression across national borders by hostile states. International institutions and military security systems were developed accordingly. While this kind of security threat has not disappeared, World War II type conflicts seem increasing unlikely and nuclear war has become unthinkable. The security threats of today and the future are far more likely to come from domestic conflict rather than external aggression, from low-intensity warfare, from terrorism, from drug-related threats, and from increasing conventional armament, especially in the South. Military strength is not a reliable guarantor of security against threats such as these.

Further, demographic and development issues are increasingly becoming threats to security. Burgeoning population and growing poverty, along with other economic and social issues, are creating dangerous instability in large parts of the world's population. A new and significant threat to global security comes not from the East or West but from the South. Most of the world's population increase in the next decade will take place in the South, and this will exacerbate problems of migration, refugees, and poverty, none of which

are amenable to classic military solutions.

Next, it is increasingly apparent that humanity is in danger of fouling the global commons to the extent that survival may be jeopardized. Acid rain, depletion of the ozone layer, desertification, the greenhouse effect, destruction of rain forests, and ocean pollution are sobering examples. Destruction of the global commons was not an issue forty years ago. Today, it is a major risk that demonstrates the need for re-examination of long-held views on state needs versus global needs relative to such issues as population, property rights, environmental regulation, and multilateral institutions. It is a risk that exceeds the competence of national governments.

Third, the scope and nature of global economic activity is greatly changed. Nonstate economic actors, such as transnational corporations and financial institutions have grown in size and power. Global economic matters have become transnationalized to the extent that the ability of national governments, even the largest and most powerful, to independently manage their own economic destinies has become greatly curtailed. Existing international institutions have very limited utility in dealing with a global economy which cannot be contained by international law. New thinking is needed on the shape and nature of the international institutions and international cooperation for the future.

Fourth, significant technological progress in the last forty years, in addition to being an engine of economic change, is also revolutionizing communication, moving the world toward an information society, driving the move toward a service economy, and creating changes in employment patterns and resource and energy demands. The benefits of the technological revolution have fallen disparately on different parts of the world and on different sectors within individual nations. The world must find ways of broadening the opportunities for benefit from rapidly increasing technological capability.

Finally, the bipolar post-World War II era is coming to an end. Forty years ago, global power was defined predominantly in terms of military strength. Today, the utility of military strength is diminished, and global power is much more defined in economic terms. Japan is an economic superpower, partly because it has avoided large military expenditures. The Soviet Union and the United States are wisely moving to find accommodation through arms control agreements and disengagement from Third World adventurism to reduce the military drag on their economic strength. Soviet efforts at *perestroika* are a significant effort to regenerate national power. The new US administration will have to deal with significant issues like budget deficits and trade imbalances, which threaten to sap US

economic strength.

Multipolarity is clearly in evidence around the world as middle powers begin to assert themselves and seek opportunities outside the context of East-West competition. The nations of Europe are moving to combine their economies. The OECD (Organization for Economic Cooperation and Development) and the so-called Group of Seven are becoming more significant actors.

The ending of the bipolar era brings new opportunities. Stephen Cohen, a noted Soviet expert, has recently written that the next president of the United States will have both an ". . . opportunity and an obligation to end the decades-long cold war between the United States and the Soviet Union." Can we recognize this change and accept its challenge, or will we shrink back into the ideological cocoon we have constructed out of forty years of fear, mistrust, and military competition?

The fading of bipolarity should not mark the end of US leadership in the world. It provides us with the opportunity to be an effective multipolar leader, sharing this leadership with others, while we see to our own interests. Clearly, openings exist for a more productive role if we can develop multilateral opportunities and seize them as they arise instead of going it alone and risking the wrath of our friends as well as our adversaries.

These are but a few observations that in my view carry great relevance to any discussion of international issues. I would hope that you, as experts in your various fields, would consider the impact of these changes on your topics of discussion. No one can predict the final direction or outcome of what is happening on a global level, but one thing is clear — if we do not deal with change it will certainly deal with us.

As you begin your deliberations on the three important subjects at hand, I urge all of you to keep in mind the multilateral option. Some of the changes which I have outlined have already resulted in a renewed interest in the United Nations to assist in conflict resolution in situations such as Afghanistan, the Iran-Iraq War, and Angola-Namibia. Despite this success, recognized by a Nobel Peace Prize to UN Peace Keeping Forces, the United Nations is an example of a post-World War II institution which requires reform and is making some progress toward this reform in order to be of greatest utility in the world of today and the future.

The United Nations needs a strengthened Secretary General position, improved personnel policies, a better defined mission, and a reformed structure, particularly in the economic and social area.

The United States can, as an influential member-state, work with others for our mutual self-interest to improve the multilateral option by strengthening and reforming the United Nations and other multilateral institutions. Renewed US interest in, and support of, the United Nations is encouraging. We should seize the opportunity afforded by recent Soviet initiatives at the United Nations by working constructively and flexibly with them to develop more fully defined proposals that are mutually acceptable. This subject should be high on the bilateral agenda of the United States and the Soviet Union. These times present both a greater opportunity and a greater need for the development of effective multilateral institutions than at anytime in recent years.

I look forward with great interest to your creative discussions and recommendations as to how the US should proceed in Central America, in Indochina, and on Soviet integration into the world economy. A changed and changing world and an impending new US administration lend opportunity and timeliness to your deliberations.

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